

in November/December 2006 in Algeria. GAIL is also discussing with various other potential gas suppliers for sourcing LNG for the project on long term basis.

(e) The cost of generation on LNG can be firmed up only after the availability and price of LNG are tied up. However, corresponding to restructuring model where LNG price was considered @ \$3.65 per MMBTU, the corresponding tariff works out to Rs. 2.30 per KWH. The cost of generation on imported Naphtha was tentatively indicated at Rs. 5.01 per KWH (Rs. 4.71/KWH as variable fuel cost and Rs. 0.30/KWH as incidental charges provisionally in lieu of the fixed cost) to CERC during its hearing on 17.10.2006. This was based on the Naphtha price on the day of the hearing. Fuel price variations/fluctuations will also have an impact on the overall tariff.

Delay in setting up of ultra mega power projects

513. SHRI EKANATH K. THAKUR: Will the Minister of POWER be pleased to state:

- (a) whether it is fact that only one of the ambitious seven ultra mega power projects, the coal pit head project in Sasan in Madhya Pradesh, is likely to be awarded for development work by the end of this calendar year;
- (b) if so, the reasons for the delay in awarding the remaining projects; and
- (c) the steps Government propose to take to start the power projects on time?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE), (a) to (c) Central Electricity Authority in consultation with the concerned States has identified a number of potential pit-head and coastal sites for development of Ultra Mega Power Projects through tariff based competitive bidding. As envisaged, the developers of the first two projects at Sasah in Madhya Pradesh and Mundra in Gujarat are scheduled to be chosen after completion of the bidding process by end December, 2006. For the project at Krishnapatnam in Andhra Pradesh, the ongoing bidding process envisages the selection of the developer by end April, 2007.